

REMARKS

Claims 36, 46, and 51 are amended, no claims are canceled, and claim 56 is added; as a result, claims 36-56 are now pending in this application.

No new matter has been added by the amendments to claims 36, 46, and 51. The amendments to claims 36 and 46 are fully supported by the specification, for example but not necessarily limited to the specification at page 11, paragraph 0037 through page 13 through the end of paragraph 0040.

Claim 51 was amended merely to correct an obvious typographical error by correcting the spelling of the word "indication."

No new matter has been added by new claim 56. The subject matter of claim 56 is fully supported by the specification, for example but not necessarily limited to the specification at page 11, paragraph 0037 through page 13 through the end of paragraph 0040.

§101 Rejection of the Claims

Claims 46-54 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Applicants respectfully traverse the rejection of claims 46-54 under 35 U.S.C. § 101.

Claims 46-54 are directed to statutory subject matter under 35 U.S.C. § 101. According to the MPEP:¹

35 U.S.C. 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter. The latter three categories define "things" or "products" while the first category defines "actions" (i.e., inventions that consist of a series of steps or acts to be performed). See 35 U.S.C. 100(b) ("The term 'process' means process, art, or method, and includes a new use of a known process, machine, manufacture, composition of matter, or material.").

Federal courts have held that 35 U.S.C. 101 does have certain limits. First, the phrase "anything under the sun that is made by man" is limited by the text of 35 U.S.C. 101, meaning that one may only patent something that is a machine, manufacture, composition of matter or a process. See, e.g., *Alappat*, 33 F.3d at 1542, 31 USPQ2d at 1556; >*In re Warmerdam*, 33 F.3d *>1354,< 1358, 31 USPQ2d *>1754,< 1757 (Fed.

¹ See Manual of Patent Examining Procedure, Eight Edition, August 2001, Latest Revision July 2008 (hereinafter the "MPEP") at MPEP § 2106 IV. "Determine Whether the Claimed Invention Complies with 35 U.S.C. 101."

Cir. 1994). Second, 35 U.S.C. 101 requires that the subject matter sought to be patented be a new and useful" invention. Accordingly, a complete definition of the scope of 35 U.S.C. 101, reflecting Congressional intent, is that **any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent.**

The subject matter courts have found to be outside of, or exceptions to, the four statutory categories of invention is limited to abstract ideas, laws of nature and natural phenomena. (Emphasis added).

Thus, the four defined categories of processes, machines, manufactures and compositions of matter are proper subject matter for a patent under 35 U.S.C. §101. Claims 46-54 are directed toward "A method to facilitate a transaction by a network-based transaction facility," which includes at least claims directed toward a process. Therefore, claims 46-54 fall into at least one of the four statutory categories quoted above, and thus are patentable subject matter under 35 U.S.C. §101.

Further, the Office Action fails to show how any of claims 46-54 falls into one of the enumerated exceptions to the four statutory categories of invention, which are limited to abstract ideas, laws of nature, and natural phenomena.

Instead, the Office Action attempts to define the requirements for a process by stating:²

"Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876))." (Emphasis in original).

Applicants representatives disagree with these statements, including disagreeing with the statement in the Office Action that, "a proper process must be tied to another statutory class . . ." In contrast to these statements, as noted in the quotations from the MPEP above, a process is, in and of itself, a statutory category of patentable subject matter under 35 U.S.C. § 101. The interpretation in the Office Action that a process in one alternative must be tied to another statutory category is not supported by the requirements defined for statutory subject matter under 35 U.S.C. § 101. According to the MPEP:

USPTO personnel should begin claim analysis by identifying and evaluating each claim limitation. For processes, the claim limitations will define steps or acts to be performed.³

In addition, as quoted above, the MPEP states that, "The term 'process' means process, art, **or method**, and includes a new use of a known process, machine, manufacture, composition of matter, or material."). (Emphasis added). Thus, a process includes a method including **a new use of a known process**, machine, manufacture, composition of matter **or** material. There is no requirement in these statements that a process must be tied to another statutory category.

Further, according to the *Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility*:⁴

A claim that requires one or more acts to be performed defines a process. However, not all processes are statutory under 35 U.S.C. Sec. 101. **To be statutory, a claimed process must either:** (A) **result in a physical transformation for which a practical application is either disclosed in the specification or would have been known to a skilled artisan, or** (B) **be limited to a practical application which produces a useful, tangible, and concrete result.** See Diehr, 450 U.S. at 183-84, 209 USPQ at 6 (quoting *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) ("A [statutory] process is a mode of treatment of certain materials to produce a given result. It is an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing The process requires that certain things should be done with certain substances, and in a certain order; but the tools to be used in doing this may be of secondary consequence."). See also *Alappat*, 33 F.3d at 1543, 31 USPQ2d at 1556-57 (quoting *Diehr*, 450 U.S. at 192, [209 USPQ at 10]). See also *id.* at 1569, 31 USPQ2d at 1578-79 (Newman, J., concurring) ("unpatentability of the principle does not defeat patentability of its practical applications") (citing *O'Reilly*, 56 U.S. (15 How.) at 114-19). (Emphasis added)

Applicant's representatives find no requirement for a process be tied to another statutory category. Instead, for a process to be statutory, the claimed process must either "(A)

² See the Office Action at page 2-3, beginning on page 2 under item number 3.

³ See MPEP at 2106 II. C., "Review of Claims." 2106 IV A. "Consider the Breadth of 35 U.S.C. 101 Under Controlling Law."

result in a physical transformation for which a practical application is either disclosed in the specification or would have been known to a skilled artisan, or (B) be limited to a practical application which produces a useful, tangible, and concrete result." Claims 46-54 meet either or both of these requirements. By way of illustration, independent claim 46, as now amended includes:

"A method to facilitate a transaction by a network-based transaction facility, the method comprising:

storing in a database maintained by the network-based transaction facility a listing of a plurality of items being offered for sale by a seller in a virtual store of the seller, wherein the items offered for sale are associated with a plurality of transaction types including one of an auction price-setting process and a fixed price-setting process;

accepting a search criteria, from a buyer, to retrieve a specific item offered for sale by the seller and that meets the search criteria;

searching the database to determine if any items being offered for sale by the seller meet the search criteria generating a commingled list of located items offered for sale by the seller that meet the search criteria; and

communicating the generated commingled list to the buyer."

It is respectfully submitted that independent claim 46 recites, at a minimum, a set of steps to be performed and that when performed, produce a useful, tangible, and concrete result. For example, the method of independent claim 46 includes, "generating a commingled list of located items offered for sale by the seller that meet the search criteria," and further includes, "communicating the generated commingled list to the buyer."

Independent claim 46 produces one or more concrete, tangible, and useful results, and therefore, meets the requirements for a process. It is further noted that the guidelines clearly state, "The tangible requirement does not necessarily mean that a claim must either be tied to a particular machine or apparatus or must operate to change articles or materials to a different state or thing." Thus, the language of the Guidelines does not support, and in fact contradicts, the

⁴ See United States Patent and Trademark Office OG Notices: 22 November 2005, "Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Eligibility" (hereinafter the "Guidelines") at IV.C.2 b.(2) "TANGIBLE RESULT."

statements in the Office Action that "To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplishes the method steps or positively reciting the subject matter that is being transformed, for example by identify the material this s being changed to a different state."

For at least the reasons stated above, the Office Action has not met its burden for showing that the subject matter of claims 46-54 is not statutory subject matter under 35 U.S.C. § 101, and so the Office Action fails establish a *prima facie* case for non-patentability under 35 U.S.C. § 101 with respect to claims 46-54.

Applicants respectfully request reconsideration and withdrawal of the 35 U.S.C. § 101 rejection of claims 46-54.

§103 Rejection of the Claims

Claims 35-47, 49-51, and 55 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Esposito et al. (U.S. Patent No. 6,587,838, hereinafter; "Esposito") in view of Kopelman et al. (U.S. Patent No. 7,373,317, hereinafter; "Kopelman"). Applicants respectfully note that claim 35 is canceled, and believe that the inclusion of claim 35 in the statement of the rejection on page 3 of the Office Action was inadvertent. Applicants respectfully traverse the rejection of claims 36-47, 49-51, and 55.

Claims 36-47, 49-51, and 55 are not obvious in view of the proposed combination of Esposito and Kopelman⁵ because the proposed combination of Esposito and Kopelman fails to disclose or suggest all of the subject matter included in any given one of claims 36-47, 49-51, and 55. By way of illustration, independent claim 36, as now amended, includes:

"the at least one back-end server operable to search a database maintained by the network-based transaction facility, the database including at least one item offered for sale using an auction-type price setting process and at least one item offered for sale using a fixed price setting process;

the at least one back-end server operable to generate a commingled list of items offered for sale based on the request and on data stored within the database, wherein the commingled list includes items being offered for sale by any combination of an

⁵ Applicants do not admit or agree that any proposed combination of Esposito and Kopelman is possible.

auction-type price setting process and a fixed price setting process." (Emphasis added).

Thus, independent claim 36 includes a database maintained by the network-based transaction facility that includes, "at least one item offered for sale using an auction-type price setting process and at least one item offered for sale using a fixed price setting process."

In contrast to independent claim 36, Esposito concerns:⁶

"A system for providing real-time notification of purchaser requirements in a heterogeneous network environment is provided. . . . Select embodiments include a plurality of wireless terminals in communication with the wireless network to receive real-time notification of a purchaser's requirements. At least one vendor computer is part of the system. The vendor computer has one or more databases for storing information about products and services in a product database, and a customer database, for storing information about customers."

However, there is no disclosure or suggestion in Esposito of "a database maintained by the network-based transaction facility, the database including at least one item offered for sale using an auction-type price setting process and at least one item offered for sale using a fixed price setting process," as required by independent claim 36.

The Office Action admits as much, wherein the Office Action states, "Esposito does not explicitly discloses an auction price-setting process."⁷ In addition, the Office Action fails to point out any specific disclosure or suggestion of, "and at least one item offered for sale using a fixed price setting process," as required in independent claim 36. A general discussion in Esposito of a database storing information about products and services fails to disclose or suggest any information regarding pricing or a price setting process for these products.

In an attempt to remedy the deficiencies in Esposito, the Office Action in a first instance refers two titles of publications listed on page 2 of Esposito. The Office Action states, without providing any further evidence of record, that these articles regard auctions. Applicants respectfully submit that mere reference to titles of publications fails to meet the required burden

⁶ See Esposito at the Abstract.

⁷ See the Office Action at page 4, at the first sentence following the bulleted items at the top of the page.

for pointing out with specificity⁸ how either of these articles discloses or suggests the subject matter as now included in independent claim 36 and missing from Esposito.

In addition, the Office Action refers to Kopelman as disclosing "an auction price-setting process (Col. 1, ll. 50-51)." ⁹ However, in contrast to the subject matter of independent claim 36, the cited portion of Kopelman states:¹⁰

"Auctions provide one type of marketplace for selling goods. Used goods sold at auction are sold at prices set by interested buyers."

These general statements about auctions fail, by themselves, to specifically disclose or suggest for example, "a database maintained by the network-based transaction facility, the database including at least one item offered for sale using an auction-type price setting process," as required by independent claim 36.

Thus, the proposed combination of Esposito and Kopelman fails to disclose or suggest, "to search a database maintained by the network-based transaction facility, the database including at least one item offered for sale using an auction-type price setting process and at least one item offered for sale using a fixed price setting process," as required by independent claim 36.

In addition, independent claim 36 includes:

"the at least one back-end server operable to generate a commingled list of items offered for sale based on the request and on data stored within the database, wherein the commingled list includes items being offered for sale by any combination of an auction-type price setting process and a fixed price setting process;

and to communicate the commingled list through the plurality of front-end servers and over the network to the client machine."

In contrast to this subject matter as included in independent claim 36, Esposito concerns:

"The system also includes one or more client computers interconnected to the vendor computer by the public packet switch communications network. Each of the client computers is able to

⁸ Further, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

⁹ See the Office Action at page 4, second paragraph after the bulleted items.

¹⁰ See Kopelman at column 1, lines 49-51.

present to a user a plurality of product options and services from which the user can make a selection."¹¹

Again, a general reference in Esposito to providing product options and services from which the user can make selections fails to disclose or suggest, "to generate a commingled list of items offered for sale based on the request and on data stored within the database, wherein the commingled list includes items being offered for sale by any combination of an auction-type price setting process and a fixed price setting process," as required by independent claim 36.

In fact, Esposito teaches away from the requirements of independent claim 36, wherein, as quoted above, independent claim 36 includes, "and to communicate the commingled list through the plurality of front-end servers and over the network to the client machine."

In contrast, Esposito concerns providing real-time notification to vendors of purchaser requirements in a heterogeneous network environment.¹² Since the notifications of purchase requirements in Esposito are provided *to vendors, and not the buyers*, Esposito teach away from the subject matter of independent claim 36 which includes communication *to the buyers* the commingled list including items being offered for sale by any combination of an auction-type price setting process and a fixed price setting process. According to Esposito, the purchase requirements are sent of a vendor, wherein the vendor will then contact the user in order to enter into a commercial transaction.¹³

This is reinforced by the statements in Esposito regarding at least one of the stated purposes of the system discussed in Esposito, wherein Esposito states:¹⁴

"What is needed is a virtual marketplace that incorporates the human element in the purchase and sale transaction."

These statements in Esposito indicate that human interaction is to be incorporate into the system by having purchaser requirements sent to a vendor, not back to the buyer, so that the vendor can conduct the purchase and sales transaction. This clearly teaches away from the communications in independent claim 36 including the communication back to the buyer of *the commingled list generate based on the requirements received from the buyer*.

¹¹ See Esposito at column 2, lines 11-16.

¹² See Esposito at column 1, lines 32-34.

¹³ See Esposito at column 2, lines 36-42.

¹⁴ See Esposito at column 1, liens 60-62.

For at least the reasons stated above, the proposed combination of Esposito and Kopelman fails to disclose or suggest, and actually teaches away from, the subject matter of independent claim 36, and so independent claim 36 is not obvious in view of the proposed combination of Esposito and Kopelman.

For reasons analogous to those stated above, independent claims 46 and 55 include subject matter not disclosed or suggested by the proposed combination of Esposito and Kopelman, and so independent claims 46 and 55 are not obvious in view of the proposed combination of Esposito and Kopelman.

Claims 37-45, 47, and 49-51 dependent from one of independent claims 36 or 46, and so include all of the subject matter included in the independent claim from which they depend, and more. For at least the reasons stated above with respect to independent claims 36 and 46, claims 37-45, 47, and 49-51 are not obvious in view of the proposed combination of Esposito and Kopelman.

In rejecting one or more of these dependent claims, for example claims 37-54, the Office Action fails to point out with specificity in either Esposito or in Kopelman a cited portion or portions of these documents that discloses or suggests the subject matter included in these claims. Instead, the Office Action merely states:¹⁵

"Esposito suggests, implies and makes obvious the following limitations for implement method claims 46-54 because Esposito discloses network connected computer systems for implementing a network based transaction facility (Abstract; Fig's 1-7; Col. 2, l. 60- Col. 7, l. 36)."

The Office Action then proceeds to merely recite the language of claims 37- 45 without any further citations to any portion of Esposito. However, a general reference to network connected computer systems fails to point out with specificity the subject matter included in claims 37-45. Thus, the Office Action has failed to meet its required burden to establish a *prima facie* case of obviousness for at least claims 37-45.

For at least the reasons stated above, Applicants respectfully request reconsideration and withdrawal of the rejection, and allowance of claims 33-47, 49-51 and 55.

Claim 48.

Claim 48 was rejected under 35 U.S.C. § 103(a) as being unpatentable over Esposito in view of Kopelman as applied to claim 46 above, and further in view of O'Neill et al. (U.S. Patent No. 5,987,440, hereinafter; "O'Neill"). Applicants respectfully traverse the rejection of claim 48.

Claim 48 depends from independent claim 46, and so includes all of the subject matter included in independent claim 46, and more. For at least the reasons stated above with respect to independent claim 46, any proposed combination of Esposito and Kopelman fails to disclose or suggest the subject matter included in claim 48. The addition of O'Neill fails to remedy these deficiencies in the proposed combination of Esposito and Kopelman. Thus, the proposed combination of Esposito, Kopelman, and O'Neill¹⁶ fails to disclose or suggest all of the subject matter included in claim 48, and so claim 48 is not obvious in view of the proposed combination of Esposito, Kopelman, and O'Neill.

Applicants respectfully request reconsideration and withdrawal of the rejection, and allowance of claim 48.

Claims 52-54

Claims 52-54 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Esposito in view of Kopelman as applied to claim 46 above, and further in view of Offutt Jr. et al. (U.S. Publication No. 2002/0184059, hereinafter; "Offutt"). Applicants respectfully traverse the rejection of claims 52-54.

Claims 52-54 depend from independent claim 46, and so includes all of the subject matter included in independent claim 46, and more. For at least the reasons stated above with respect to independent claim 46, any proposed combination of Esposito and Kopelman fails to disclose or suggest the subject matter included in claim 46. The addition of Offutt fails to remedy these deficiencies in the proposed combination of Esposito and Kopelman. Thus, the proposed combination of Esposito, Kopelman, and Offutt¹⁷ fails to disclose or suggest all of the subject

¹⁵ See the Office Action at page 5, beginning after the heading "Re. Claims 37-45."

¹⁶ Applicants do not admit or agree that any proposed combinations of Esposito, Kopelman, and O'Neill are possible.

¹⁷ Applicants do not admit or agree that any proposed combinations of Esposito, Kopelman, and Offutt are possible.

matter included in claims 52-54, and so claims 52-54 are not obvious in view of the proposed combination of Esposito, Kopelman, and Offutt.

Applicants respectfully request reconsideration and withdrawal of the rejection, and allowance of claims 52-54.

New claim 56

Applicants respectfully submit that new claim 56 depends from independent claim 36, and further limits the subject matter of independent claim 36 to include:

The system of claim 36, wherein the database includes items offered for sale in at least one seller's virtual store that offers for sale both at least one item for sale using an auction-type price setting process and at least one item offered for sale using a fixed price setting process.

New claim 36 includes subject matter that is not anticipated and is not obvious in view of any of the documents or combination of documents cited in the Office Action. Therefore, Applicants respectfully request consideration and allowance of new claim 36.

Reservation of Rights

In the interest of clarity and brevity, Applicants may not have addressed every assertion made in the Office Action. Applicants' silence regarding any such assertion does not constitute any admission or acquiescence. Applicants reserve all rights not exercised in connection with this response, such as the right to challenge or rebut any tacit or explicit characterization of any reference or of any of the present claims, the right to challenge or rebut any asserted factual or legal basis of any of the rejections, the right to swear behind any cited reference such as provided under 37 C.F.R. § 1.131 or otherwise, or the right to assert co-ownership of any cited reference. Applicants do not admit that any of the cited references or any other references of record are relevant to the present claims, or that they constitute prior art. To the extent that any rejection or assertion is based upon the Examiner's personal knowledge, rather than any objective evidence of record as manifested by a cited prior art reference, Applicants timely object to such reliance on Official Notice, and reserve all rights to request that the Examiner provide a reference or affidavit in support of such assertion, as required by MPEP § 2144.03. Applicants reserve all

rights to pursue any cancelled claims in a subsequent patent application claiming the benefit of priority of the present patent application, and to request rejoinder of any withdrawn claim, as required by MPEP § 821.04.

CONCLUSION

Applicants respectfully submit that the claims are in condition for allowance, and notification to that effect is earnestly requested. The Examiner is invited to telephone Applicant's representative at (612) 371-2132 to facilitate prosecution of this application.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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CERTIFICATE UNDER 37 CFR 1.8: The undersigned hereby certifies that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail, in an envelope addressed to: MS Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 15 day of December, 2008.

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